

DCI BRIEFING FOR EX-PRESIDENT EISENHOWER

North Vietnam POL Strikes ✓

South Vietnam Situation Report--to be updated Thursday ✓

The Chinese Communist Leadership

Yugoslavia: Party Problems ✓

Warsaw Pact ✓

NATO ✓

De Gaulle's Trip ✓ ✓

25X1 [Redacted]

Cyprus ✓

Indonesia ✓ ✓

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Rhodesia ✓ ✓

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DOS REVIEW COMPLETED

MEMORANDUM FOR: CE

DCI BRIEFING

North Vietnam POL (revised)  
South Vietnam Situation Report (revised)  
Chicom Leadership (no change)  
Yugoslavia (revised)  
Warsaw Pact (revised)  
NATO (revised)  
France: DeGaulle's Trip (no change)

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Cyprus (no change)  
Indonesia (no change)

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14 July  
JM 1966

EISENHOWER BRIEFING

14 July 1966

14 July 1966

Vietnam Situation

The overall political picture in South Vietnam today is generally brighter than it was a month or so ago when the Ky government was fighting for its life with the Buddhists, but trouble spots have not entirely vanished.

Premier Ky has reasserted government authority over the rebellious northern provinces of I Corps, although there are still occasional murmurs of defiance. A few leaders of the "struggle" movement are still at large.

By alternating tactics of toughness toward Buddhist extremists, and conciliation toward the moderates, the government has for the present isolated Tri Quang from his sources of potential power, and brought about at least a temporary suspension of Buddhist opposition through the authority of Thich Tam Chau, the more moderate chairman of the Buddhist Institute.

Ky's concessions to Chau do not seriously impair his government's freedom of action, but are designed rather to enhance Chau's stature among Buddhist diehards. One concession was the release of low-level prisoners taken by the government during the course of the recent struggle movement.

VIET-1

More important "struggle" movement leaders, such as the former mayor of Da Nang, Dr. Nguyen Van Man, and those with suspected Viet Cong ties, remain in custody, and will probably stand trial.

Disunity is still prevalent at the Institute, however. On July 13, Tam Chau announced he would not be active in Institute affairs for several months.

The Ky government has also taken a number of steps designed to broaden its representative base and to launch the country toward a semblance of representative government.

In addition to adding 10 civilians to the ruling military Directorate, the government has established a 79-man Civilian and Military Advisory Council to make recommendations on non-military questions.

The government is now pretty solidly committed to an eventual representative government chosen by popular election. An election law to govern the selection of a national constitutional assembly on September 11 has been promulgated, and individuals and some groups are now busily filing nominees in order to meet the July 11 deadline for applications. So far, however, the Buddhists have not withdrawn a decision to boycott the election.

VIET-2

The assembly, to consist of 108 elected delegates and nine others chosen as representatives of the minority tribes, is charged solely with drafting a constitution. A new government may not emerge before mid-1967.

Despite its stronger position, the Ky government still faces serious hurdles.

One problem is the bickering and rivalries that still persist among the principal leaders themselves.

A cabinet reshuffle, frequently delayed because of objections raised by certain Directorate generals, was announced on July 13. A second deputy premiership for cultural and social matters was formed under Nguyen Luu Vien, a southern Buddhist, not associated with the Buddhist Institute. General Nguyen Bao Tri was named Minister of Information and Chieu Hoi, reportedly to give Ky and Chief of State Thieu some control over the forthcoming election process.

VIET-3

The Military Situation in South Vietnam

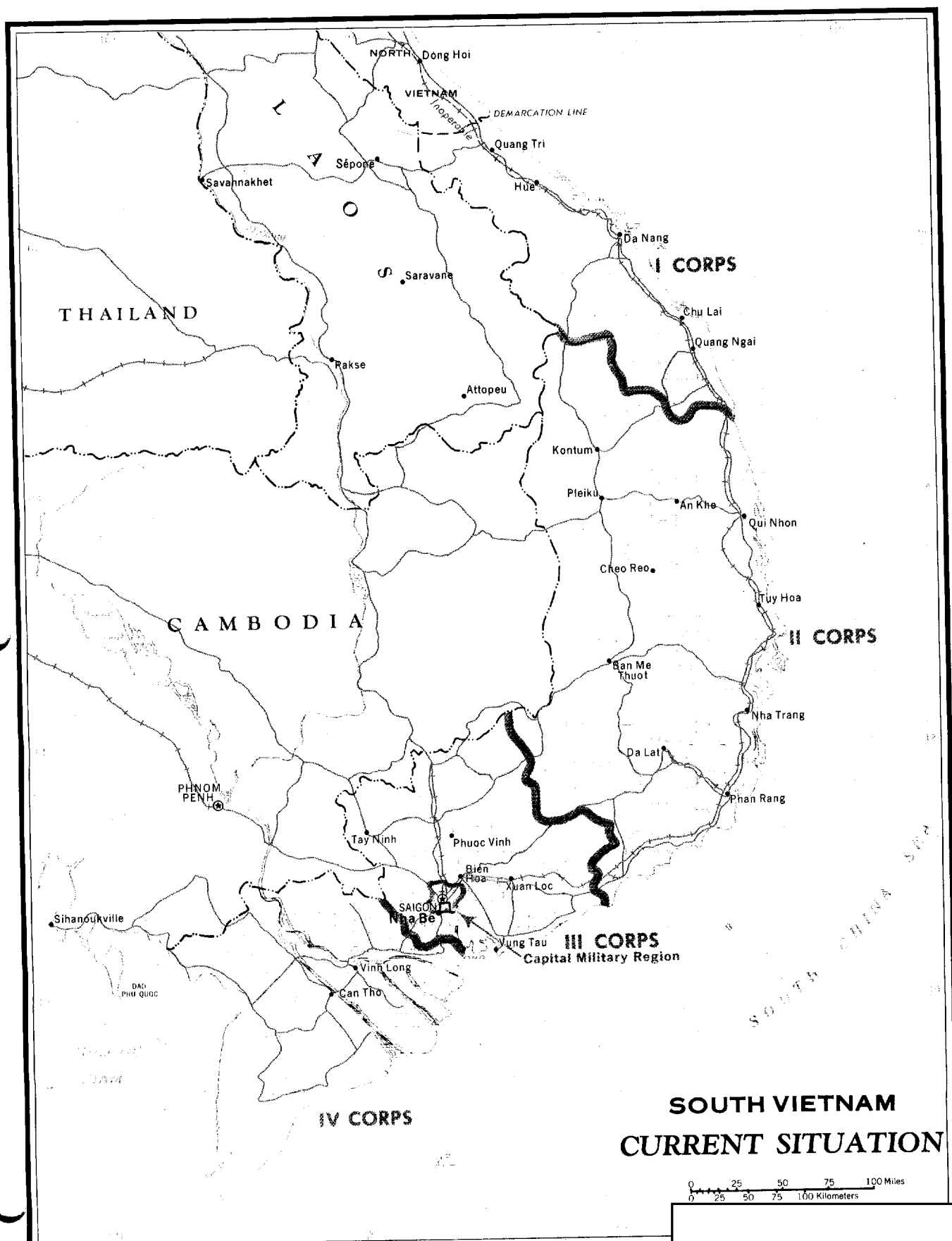
Intensified and sustained allied spoiling operations along the South Vietnam/Cambodia border have thus far delayed or disrupted an anticipated Communist summer monsoon offensive in the central highlands and north of Saigon.

Border surveillance operations in Pleiku and Kontum Provinces are particularly indicative of the effectiveness of the US/Vietnamese "preventive action" campaign. Since mid-May, these long-term ground sweeps have resulted in more than 1,100 Communist troops killed and have disrupted the north-eastward movement of a North Vietnamese division into South Vietnam's high plateau region.

Similarly, aggressive allied operations against major Communist buildups in the central coastal plain and in the provinces due north of Saigon have denied Viet Cong forces access to sorely-needed rice supplies in Phu Yen Province, and evidently thwarted a planned enemy offensive in the Binh Long province area.

These and other recent allied successes have forced the Communists to adopt a hit-and-run attack posture, emphasizing actions against isolated, lightly defended Vietnamese outposts.

VIET-4



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14 July 1966

NORTH VIETNAM POL FACILITIES BOMBED

Attacks on North Vietnamese petroleum storage facilities have made continued operation of the economy and prosecution of the war in the south more difficult and costly.

Bombing of these facilities has denied North Vietnam:

(1) nearly 50 percent of the pre-raid capacity in principal bulk petroleum storage facilities; (2) the use of certain of the facilities at Haiphong, the only important terminal for receiving oceangoing tankers; (3) the use of the entire Hanoi facility, the country's second-largest petroleum storage center and most important hub for internal distribution; and (4) some 50-60,000 tons of petroleum products.

The enemy has sufficient petroleum storage capacity and stocks to permit continuation of both civil and military operations--including infiltration--for more than five months. Additional imports and the reduced use by non-essential consumers could extend this period.

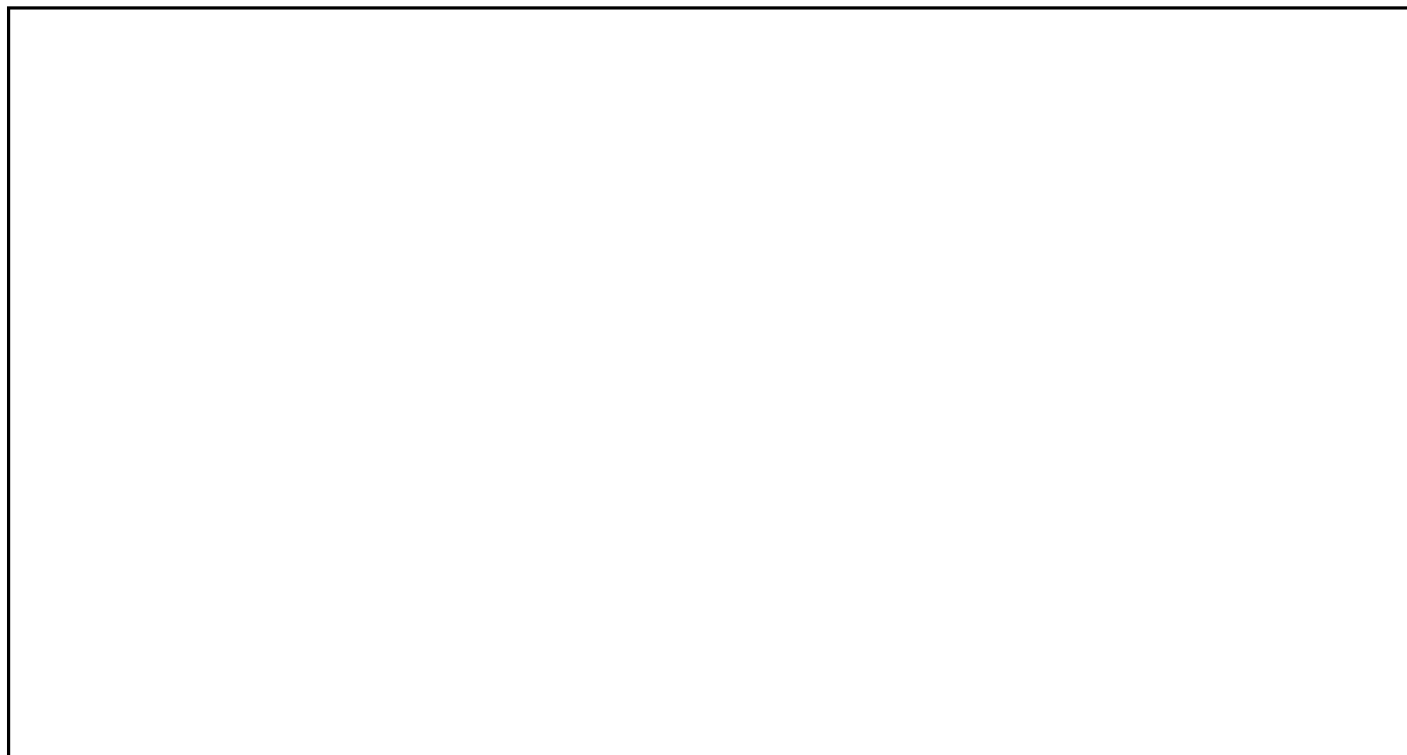
The six petroleum storage installations hit on 29 and 30 June had a total capacity of 133,000 metric tons of petroleum--approximately 80 percent of the estimated national principal bulk storage capacity of 165,000 metric tons.

POL-1

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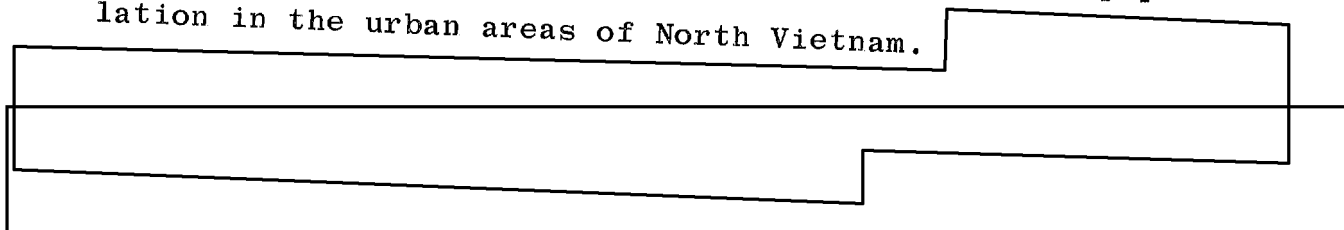
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The execution of the strikes appears to have been excellent, with little or no damage done to the civilian population in the urban areas of North Vietnam.

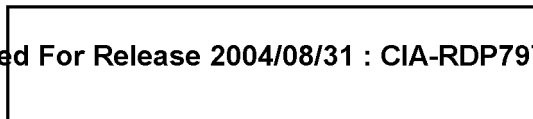


It is estimated that Hanoi can continue to import enough petroleum to keep its fleet of trucks moving adequate quantities of supplies down the roads to South Vietnam.

POL-2

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Hanoi's propaganda reaction to the POL strikes has been to reaffirm its determination to continue the fight and, in addition, an ominous new note has been added--the threat of trial and death sentences for captured US airmen.

The latest word from Hanoi, carried by the official Czech news agency, is that trials may be held on either 20 July--the anniversary of the 1954 Geneva Agreements--or on 4 August--the second anniversary of the Tonkin Gulf incident.

According to US estimates, at least thirty-five US airmen are in the hands of the North Vietnamese. More than 160 pilots are missing and many of these may have been captured.

POL-3

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OCI RECORD COPY

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Presentation Staff #2

14 July 1966

The Chinese Communist Leadership

We believe that China has entered a transition period  
(Mow Tseh-dung)  
even before Mao Tse-tung's final departure. Mao's absences from the public scene are growing longer and longer, suggesting recurring illnesses. He has appeared only twice since November.

(Mow Tseh-dung)  
Mao Tse-tung probably remains the dominant leader, and can probably impose his will, but at least since November he has not had the sure sustained control he wants. It is possible, moreover, that ambitious colleagues are pushing Mao to turn over more and more of the party machinery and the authority to make domestic and foreign policy decisions.

The relative standing of Mao's immediate lieutenants is far from clear. Disclosures already made point to a  
(Dung Shyow-Ping)  
power play by Teng Hsiao-ping, the powerful general secretary of the party. Teng has been working with or using  
(Pyow)  
Lin Piao, whose place in the army would make him a useful ally. Teng probably built the case that led to the recent ouster of Peng Chen, a rival in Mao's inner circle of advisers.

CHI-1

The situation is still fluid, but not as much as it was a month or two ago. The Peking People's Daily announced on 1 July that the struggle was over. The paper described recent events as an attempt by "counter-revolutionary" plotters to seize the leadership of the party, army, and the government.

If stability has been restored, it may well prove transitory. It is doubtful that the situation will fully stabilize until Mao finally departs and a successor consolidates his position.

We do not expect to see abrupt shifts in domestic or foreign policy while the struggle goes on. All the contenders for the leadership are hard-line Chinese Communists, and quick changes are unlikely.

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[REDACTED]

COMPOSITION OF THE SECRETARIAT, THE EXECUTIVE ARM OF THE CHINESE  
COMMUNIST PARTY, AS OF 9 JULY 1966

? = Under a cloud or removed

Name and Last  
date of Appearance

Comment

Old Members

Teng Hsiao-ping  
9 July 1966

General Secretary

? Peng Chen  
29 March 1966

Politburo member; one of Mao Tse-tung's inner  
circle of advisers; removal as 1st Secretary of  
Peking Party Committee announced on 3 June 1966

Wang Chia-hsiang  
October 1965

Politically inactive for many years

Tan Chen-lin  
9 July 1966

Politburo member; agriculture specialist

Li Hsueh-feng  
9 July 1966

Regional specialist; 1st Secretary of the North  
China Bureau of the Central Committee; identi-  
fied as 1st secretary of Peking on 3 June 1966,  
replacing Peng Chen

Li Fu-chun  
9 July 1966

Politburo member; economic planner

Li Hsien-nien  
9 July 1966

Politburo member; finance and trade specialist

? Lu Ting-i  
March 1966

Alternate politburo member; former director of  
the propaganda department of the Central  
Committee, removal revealed 9 July 1966

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New Members

Tao Chu  
9 July 1966

1st Secretary of the Central South Bureau of the  
Central Committee; appointment to secretariat  
and as director of the propaganda department of  
the Central Committee revealed 9 July 1966

Yeh Chien-ying  
9 July 1966

Senior military officer; appointment to secretariat  
revealed 9 July 1966; possible replacement for  
Lo Jui-ching as Chief of Staff

Alternate Members

Liu Lan-tao  
1 July 1966

1st Secretary of the Northwest Bureau of the  
Central Committee

? Yang Shang-kun  
November 1965

Director of the administrative office of the secretariat;  
Mao Tse-tung's personal aide

Hu Chiao-mu  
October 1965

Politically inactive for many years

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14 July 1966

YUGOSLAVIA: PARTY PROBLEMS

President Tito has set in motion the most drastic shake-up of the Yugoslav regime since 1954, with his 1 July ouster of his heir apparent party secretary Alexander Rankovic (Rank-o-vich).

A broad reshuffling of government and party officials is probable as conservative elements who shared the outlook of Rankovic are ousted.

Already Koca Popovic (Ko-cha Pop-o-vich) has been elected by a special session of parliament to replace Rankovic as vice president of the republic. Popovic has been serving as chairman of a party commission with foreign relations and prior to this appointment served as foreign minister for twelve years.

Tito's action against his long-time colleague and old comrade, apparently taken reluctantly, was most likely the first step in a wide-ranging purge of those who have opposed implementation of economic and social reforms; younger and generally more liberal party officials will probably be brought into authority.



Rankovic's removal was based on charges that he had misused his influence over the secret police to hinder implementation of regime policies and to enhance his power. Tito apparently had become alarmed at some of the activities and methods Rankovic was using.

Rankovic seemed to be looking ahead to the day when he would legally replace the 74-year-old dictator and was attempting to ensure an unopposed succession.

Any such wide-scale shake-up of the party is likely to exacerbate existing nationality rivalries, particularly between the Serbs and Croats. Rankovic's essentially conservative outlook had backing from his fellow Serbian Communists who resented the regime's economic policies that benefited the more developed republics of Croatia and Slovenia.

The entire question of Tito's successor has been thrown into doubt: neither of the two remaining party secretaries, Kardelj (Kar-Dell) nor Vlahovic (Vla-Ho-vich), has a strong power base; other possible successors include Crvenkovski (Sir-ven-Kov-ski), who chaired the party commission that investigated Rankovic, and Todorovic (To-Dor-o-vich), who has been elevated to replace Rankovic.

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Presentation Staff

14 July 1966

WARSAW PACT

No new ground seems to have been broken by the participants in the Warsaw Pact meetings; probably none of the participants was entirely satisfied with the outcome.

Moscow's main aims were (1) to strengthen and reorganize the pact, and (2) to obtain joint statements on European security and Vietnam.

The Rumanians, in particular, and probably some of the other Eastern European countries regarded the Russian intentions concerning the pact as dangerous to their freedom of maneuver and independence in bloc affairs.

The final communiqué's brief, vague, and only reference to this issue suggests that it remains unresolved; that at best, the contending parties agreed to disagree. The impression is left that Rumanian opposition to Russian demands may have been successful.

Over-all, the pact summit meeting, despite months of preparatory discussion and several prior intrabloc consultations, would appear to have brought forth a mouse.

WARPACT-1

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The USSR could, however, take satisfaction in obtaining the backing of its European allies for the USSR position on Vietnam.

The pact's statement on European security largely reiterated old bromides.

WARPACT-2

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14 July 1968 Presentation Staff #2

NATO

The negotiations with France on its military withdrawal from NATO remain in the probing stage, and final outcome is anybody's guess.

The French-German talks regarding a new basis for the continued stationing of French troops on German soil have so far had no decisive result. The German offer of an interim arrangement was apparently accepted by Paris. The French reiterated, however, that the 1954 agreements are still sufficient legal basis for the troops to remain--if Bonn wants them.

After weeks of sparring and procedural difficulties, the Fourteen may be able to agree this week to pose questions designed to smoke out precise French intentions.

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France may also be asked whether it will continue to pay its previous share to NATO military budget, whether NATO-financed infrastructure is still available to allies, whether France will help pay for relocation of NATO facilities outside France.

NATO-1

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Although the French have hinted forces might be made available in wartime, they have been vague on detail and insisted this is purely a "military" matter. Although they have hinted they might pay for some NATO projects, the question is whether they should be allowed to pick and choose in this way.

However, we think De Gaulle will find it difficult to strike a balance he apparently wants between being formally allied and being free from binding arrangements.

Finally, US has begun physical withdrawal from France, but the numerous issues this raises as well as other bilateral questions between us still are to be negotiated.

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NATO-2

25X1

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Presentation Staff  
14 July 1966 #2FRANCE

De Gaulle's visit went as predicted in terms of practical accomplishments and non-accomplishments.

From De Gaulle's point of view, the trip sought to place France in the forefront of nations seeking a European settlement.

He did acknowledge during the trip that US still has a role to play--in what he regards primarily a European matter.

On Vietnam, both sides called again for an end to foreign intervention and a return to the 1954 Geneva accords as the basis for settlement. There is no indication, however, that agreement was made to launch a joint French-Soviet "initiative" on Vietnam.

Forms of future French-Soviet contact provided for in the joint declaration issued after the trip are: (1) mutual consultations on bilateral and multilateral relations, no provision yet for frequency and level; (2) establishment of a Paris-Moscow "hot line"; and (3) creation of a joint commission to oversee fulfillment of scientific and economic agreements signed during the visit.

FRANCE-1

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The scientific agreement provides for space cooperation in the following areas: (1) space research which includes Soviet launching of a French satellite (with "technical" matters still to be negotiated); (2) space meteorology including parallel launching of sounding rockets; (3) space communications envisaging continuation of the Molniya satellite experiments and (4) visits of French scientists to Soviet Academy institutes.

(Brezh-nyef)

Brezhnev, who clearly "led" the Soviet delegation, showed little flexibility on Germany. He said the existence of two German states must be accepted as the basis for any East-West discussions on Germany.

The concept of a European Security Conference was raised but not pressed by Brezhnev.

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The chief gains for each side were:

Soviet: Acceptance as a "European in good standing" and the prospect of some access to Western technology under the bilateral agreements signed.

, FRANCE-2

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France: A demonstration that steps toward detente in Europe are possible without the US and without a sell-out of West European--particularly German--interests which would cost them their pretensions to West European leadership.

FRANCE-3

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14 July 1966 Please return to  
Presentation Staff #2CYPRUS

Communal tensions on the island have risen. Presi-  
(Mah-Kah-Ree-os)  
dent Makarios continues his efforts to: demoralize  
the Turkish Cypriot community, and sabotage the Greek-  
Turkish bilateral talks under way in Vienna.

As incidents have multiplied on both sides, Makarios  
twice has clamped restrictions on the movement of  
(Ni-Koh-Se-Uh)  
Turkish Cypriots in Nicosia. Turkish Cypriot reaction  
to the first ban was a further withdrawal from inter-  
communal cooperation--a move toward the de facto parti-  
tion desired by the Turkish Cypriot leadership.

Ankara's failure to back up its "ultimatum" on June 23  
following the second ban has (1) convinced the Greek  
Cypriots that Turkey will react militarily only if its  
basic rights on the island are jeopardized, and (2)  
possibly undermined the confidence of the Turkish Cypriot  
community that Ankara really intends to protect Turkish  
Cypriot rights.

Month-long UN mediation efforts have failed to resolve  
a military confrontation over Greek Cypriot road con-  
(Tree-Pih-Menee)  
struction in the Trypimeni area some 20 miles northeast  
of Nicosia.

CYP-1

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Makarios reportedly will accept "demilitarizing" the area. However, the Turkish Cypriots are holding out for a number of observation posts to assure that Greek Cypriots do not resume construction.

25X1

Both Greece and Turkey seem hopeful of success in the current Cyprus talks, but neither has given any indication that it is willing to make significant concessions, any attempt to impose a solution on Makarios will undoubtedly result in continued frustration.

CYP-2

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14 July 1966

INDONESIA

(Su-hart-o)  
Army chief General Suharto's power was significantly strengthened by action of the Indonesian Congress which ended 6 July. In contrast President Sukarno's position and prestige suffered a further decline.

The congress: (1) reaffirmed Suharto's special executive powers granted by Sukarno last March, (2) revoked Sukarno's life presidency, (3) gave Suharto a mandate to form a new cabinet by mid-August, (4) reaffirmed Suharto's earlier ban on Indonesian Communist Party and proscription of "Marxism-Leninism", and (5) decreed that elections be held in two years.

Suharto has indicated that he will head a new cabinet which will include five deputy first ministers and 24 ministers. In this capacity he will be "first among equals" and probably

will be named "deputy prime minister" while

Sukarno remains as the figurehead prime minister.

(Mahl-lik) (Jog-ja-karta)  
Malik and Sultan of Jogjakarta--Suharto's major colleagues in present cabinet--will remain but specific capacity as yet undefined.

INDO-1

Suharto has domestic job of controlling Indonesia's opportunistic political factions. Ultimately he may be forced to retain some authoritarian elements of Sukarno's "guided democracy."

Government's most urgent problem is getting bankrupt economy back on sound basis. Bilateral talks with creditor nations are still under way to reschedule payments and get aid. Indonesia is applying for readmission to International Monetary Fund and World Bank.

Creditor nations agree that problem of Indonesia's international debt (\$2.5 billion) should be approached multilaterally. Meeting may be held this fall, but largest creditor--USSR--cannot be expected to attend.

Suharto and his team have been trying to return Indonesia to a "free and active" foreign policy. They have resumed friendly relations with West, they hope to be back in United Nations by September, and they have disengaged from Sukarno's pro-Peking policy.

INDO-2

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14 July 1966  
Information Staff #2RHODESIA

Britain and Rhodesia are still at loggerheads.

The British seem willing to give Rhodesia legal independence under minority white rule provided: (1) Rhodesians first return briefly to nominal British sovereignty and (2) promise steady advances for Africans after independence.

Rhodesia refuses to end rebellion until Britain spells out clearly what kind of concessions are expected toward Rhodesian Africans. Premier Smith and the Rhodesians apparently are prepared to make some minor concessions to Africans if the tempo of the advances of the Africans is under control of the Rhodesian whites.

Britain thinks a few more months of economic sanctions will soften the Rhodesians' stand. However, sanctions are unlikely to have marked economic effects within that short time. Most of the Rhodesian whites seem ready to live at a lower economic level rather than surrender their power to the African majority in the foreseeable future.

RHO-1

Africans will not accept any settlement unless it guarantees majority rule before independence. However, neither the Rhodesian Africans nor the other African governments has the power to upset any agreement between Britain and the rebel regime.

Other African governments would be extremely bitter toward the West if Britain "sold out" in Rhodesia. Several would probably leave the Commonwealth.

RHO-2



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